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May 9, 2018

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Petition of South Carolina Electric & Gas Company for an Accounting
Order to Defer the Depreciation and Amortization Expenses as Well as
the Incremental Operation and Maintenance Expenses That Will Be
Incurred as a Result of Complying with the Cyber Security Regulations
Promulgated by the United States Nuclear Regulatory Commission;
Docket No. 2015-372-E

Dear Ms. Boyd:

By Order No. 2015-790, issued in the above-referenced docket, the Public
Service Commission of South Carolina ("Commission") authorized South Carolina
Electric & Gas Company ("SCE&G" or "Company") to defer as a regulatory asset no
more than $9,100,000 during the five-year time period of January 1, 2015, to
December 31, 2019, in depreciation and amortization expenses as well as incremental
operation and maintenance expenses the Company will incur as a result of complying
with certain cyber security requirements promulgated by the United States Nuclear
Regulatory Commission. As part of its order the Commission stated, "[t]he Company
shall file with the Commission and the Office of Regulatory Staff quarterly reports
regarding the cyber security expenses." *See* Order No. 2015-790. The purpose of this
letter is to provide the Commission and ORS with a status update on the deferred
expenses.

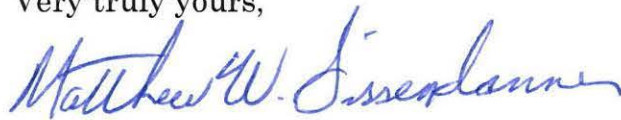As of March 31, 2018, the deferred expenses total $5,018,029.

By copy of this letter, SCE&G is providing the South Carolina Office of
Regulatory Staff with this status update of the deferral account.

(Continued . . .)

IfKyou have any questions or need additional information, please do not hesitate to contact us.

Very truly yours,

Matthew W. Gissendanner

MWG/kms

cc: Dawn Hipp
Jeffrey M. Nelson, Esquire
(both via electronic and U.S. First Class Mail)